

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handloom Industry-- National Co-operative Development Corporation - Sanction of an amount of Rs.75,00,000/- comprising of Rs.60,00,000/- as loan and Rs.15,00,000/- as subsidy towards Margin Money Assistance to the Rameswaram Handloom Weavers Cooperative Production & Sale Society Ltd., Vasantapeta, Proddatur, Y.S.R. District -- Orders --Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 472

Dated:11-08-2011

Read the following:-

1. From the Director of Handlooms and Textiles Development Commissioner for Apparel Export Parks, A.P. Hyderabad, Lr.Rc.No.11362/ 2010-K2, dated: 05.10.2010.
2. Government of Andhra Pradesh, Lr.No.15647/Tex.2/2010, Industries and Commerce (Tex) Department, dated 4-3-2011.
3. From the Managing Director, National Co-operative Development Corporation (Handloom Division), Hyderabad, Letter No. NCDC:4-2/2011-TEXT(HLM)/38(SA10017), dated 12-05-2011.
4. From the Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad, Letter Rc.No. 11362/ 2010-K2, dated 26-05-2011.
5. G.O.Rt.No.2718, Finance (Exp.I&C) Department, dated 16-07-2011.

OR D E R:-

In reference 2nd read above, the Government have forwarded the loan application of Rameswaram Handloom Weavers Cooperative Production & Sales Society Ltd., Vasanthapeta, Proddatur, Y.S.R. District to the National Co-operative Development Corporation, New Delhi to consider for sanction of an amount of Rs.1,20,00,000/- (Rupees One Crore and Twenty Lakhs only) towards Margin Money Assistance under National Co-operative Development Corporation Scheme, subject to repayment by the Society, Strictly.

2. In the reference 3rd read above, the Managing Director, National Co-operative Development Corporation (NCDC), New Delhi has conveyed sanction for an amount of Rs.75,00,000/- comprising of Rs. 60,00,000/- as loan and Rs.15,00,000/- as subsidy (subject to availability of subsidy from Government of India) to the Government of Andhra Pradesh towards Margin Money Assistance to Rameswaram Handloom Weavers Cooperative Production & Sales Society Ltd., Vasanthapeta, Proddatur, Y.S.R. District, Andhra Pradesh. The State Government shall provide NCDC's loan component assistance to the Society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by the NCDC to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said Society and thereafter claim reimbursement from the Corporation, vide letter No.NCDC:4-2/2011-Text(HLM)/38(SA10017), dated 12-05-2011.

3. The assistance of Rs.75,00,000/- (Rupees Seventy Five Lakhs only) sanctioned is subject to the conditions that the Society:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) shall allow and afford facilities to the Officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the Society.

(PTO)

4. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the period of loan to the State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan instalment will commence from the 1st anniversary of the deemed date of drawal of 1st instalment of loan along with interest. The Managing Director, National Co-operative Development Corporation, New Delhi has stated that the interest levied at the rate prevailing at the time of actual release of funds. Presently, the effective rate of interest is 12.25%. In case payment of instalment is not received on or before due date, normal rate (effective + 1%) would be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC letters No. NCDC:1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/1990 -Budt, dated 06.05.2011 and as amended from time to time.

5. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilized for the purpose for which it has been sanctioned;
- (ii) the Society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

6. The sanction is valid up to 31.03.2012 by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

7. In the reference 4th read above, the Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad has stated that the National Co-operative Development Corporation, New Delhi have conveyed its sanction of Financial Assistance of Rs.75.00 lakhs comprising of Rs. 60.00 lakhs as loan and Rs.15.00 lakhs as subsidy to the Government of Andhra Pradesh towards Margin Money Assistance to Rameswaram Handloom Weavers Co-operative Production and Sales Society, Vasantapeta, Proddatur, YSR district with certain terms and conditions. The State Government shall provide the NCDC's loan component assistance to the Society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by National Co-operative Development Corporation to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said Society mentioned above and there after claim reimbursement from the National Co-operative Development Corporation. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad has further stated that the President of the said society has requested for release of the funds to the Society to enable to increase looms and release of payments to the weavers towards wages and for purchase of yarn etc.,.

8. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad has requested the Government to sanction and release of Rs.75.00 lakhs comprising of Rs. 60.00 lakhs as loan and Rs.15.00 lakhs as subsidy to Rameswaram Handloom Weavers Co-operative Production and Sales Society, Vasantapeta, Proddatur, YSR District under National Co-operative Development Corporation scheme of assistance as per the terms of National Co-operative Development Corporation sanction letter along with Budget Release Order.

9. After careful examination and as per the Budget Release Order issued by the Finance Department in the reference 5th read above, Government have decided to sanction an amount of Rs.75,00,000/- (Rupees Seventy Five Lakhs only) as detailed below:-

- (a) Rs.60,00,000/- as loan towards Margin Money Assistance under National Co-operative Development Corporation, subject to the condition that the Society should strictly repay the instalments and the Head of the Department i.e, Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad should maintain a separate register;

(b) Rs.15,00,000/- as subsidy, as additional funds in relaxation of Treasury Control Orders and Quarterly Regulations by obtaining supplementary grants during the financial year 2011-12 from the Budget Estimates Provision 2011-12 under Centrally Sponsored Scheme under Plan towards Margin Money Assistance from National Co-operative Development Corporation, New Delhi to the State Government on reimbursement basis.

10. Accordingly, Government hereby accord sanction for an amount of Rs.75,00,000/- (Rupees Seventy Five Lakhs only) as detailed below:-

(a) Rs.60,00,000/- as loan towards Margin Money Assistance under NCDC, subject to the condition that the Society should strictly repay the instalments and the Head of the Department i.e, Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad should maintain a separate register;

(b) Rs.15,00,000/- as subsidy, as additional funds in relaxation of Treasury Control Orders and Quarterly Regulations by obtaining supplementary grants during the financial year 2011-12 from the Budget Estimates Provision 2011-12 under Centrally Sponsored Scheme under Plan towards Margin Money Assistance from National Co-operative Development Corporation, New Delhi to the State Government on reimbursement basis.

11. The expenditure sanctioned in para (10) above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi, in the reference 3rd read above.

12. The expenditure of loan amount of Rs.60,00,000/- (Rupees Sixty Lakhs only) shall be debited to the following Head of Account:-

6860 – Loans for consumer industries
01 – Textiles –
MH-101 – Loans to Cooperative Spinning Mills
10- Centrally Sponsored Schemes
05- Margin Money to Co-operative Spinning Mills
001- Margin Money to Cooperative Spinning Mills

13. The expenditure of subsidy amount of Rs.15,00,000 (Rupees Fifteen Lakhs only) shall be debited to the following Head of Account:-

"2851 - Village and Small Industries
MH.103- Handloom Industries
G.H.10- Centrally Sponsored Schemes
SH(56)- Margin Money Assistance to Co-operative Spinning Societies under NCDC(Subsidy)
310 - Grants-in-aid
312 - Other Grants-in-aid" (to be opened)

14. The Assistant Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw the loan amount of Rs.60,00,000/- (Rupees Sixty Lakhs only) sanctioned in para (10) above by way of a cheque in favour of Commissioner of Handlooms, Textiles and Apparel Export Parks, Hyderabad who will disburse the same to the Rameswaram Handloom Weavers Co-operative Production and Sales Society, Vasantapeta, Proddatur, YSR District. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

15. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad / concerned Drawing & Disbursement Officer is authorized to draw the subsidy amount of Rs.15,00,000/- (Rupees Fifteen Lakhs only) sanctioned in para (10) above and disburse the same to the Rameswaram Handloom Weavers Co-operative Production and Sales Society, Vasantapeta, Proddatur, YSR District by way of a cheque under the National Co-operative Development Corporation scheme as and when necessity arises for the purpose for which it is sanctioned to the concerned Society. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Development Corporation, New Delhi.

16. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned above from the concerned Society viz., the Rameswaram Handloom Weavers Co-operative Production and Sales Society, Vasantapeta, Proddatur, YSR District and to remit the same to the State Government Account on due dates under intimation to the National Co-operative Development Corporation, New Delhi.

17. The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad is requested to send the supplementary grant at appropriate time to the Finance (B.G.II) Department for inclusion in supplementary estimates 2011-12.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.15282/207/Exp.I&C/2011, dated 19-07-2011, and vide Budget Release Order issued in G.O.Rt.No.2718, Finance (Exp.I&C) Department, dated 16-07-2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.PREM CHAND,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Commissioner of Handlooms, Textiles & Apparel Export Parks, Hyderabad
The Assistant Secretary to Government, Finance (DMC) Department.
The Vice-Chairman and Managing Director,
Andhra Pradesh State Handloom Weavers Co-operative
Society Limited (APCO), Hyderabad.
The Managing Director,
National Co-operative Development Corporation (NCDC),
4, Siri Institutional Area, Hauz Khas, New Delhi.
The Chief Director, National Co-operative Development Corporation,
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.
The President,
Rameswaram Handloom Weavers Co-operative Production and Sales
Society, Vasantapeta, Proddatur, YSR district.

Copy to:

The Finance (Exp.I&C)/ (BG) Department
The Accountant General Andhra Pradesh, Hyderabad.
The Pay and Accounts Officer, Hyderabad.
The Director of Treasuries of Accounts, Andhra Pradesh, Hyderabad.
The Principal Secretary to Chief Minister.
The P.S. to Minister for Handlooms and Textiles.
The P.S. to Principal Secretary to Government,
Industries and Commerce Department.
The Industries and Commerce (L&B) Department.
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.